

Multiple Agency Fiscal Note Summary

Bill Number: 6239 SB	Title: Concerning civil marriage and domestic partnerships
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Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of the Secretary of State	0	(38,000)	0	(76,000)	0	(76,000)
Total \$	0	(38,000)	0	(76,000)	0	(76,000)

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of the Secretary of State	.0	0	7,500	.0	0	7,500	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total	0.0	\$0	\$7,500	0.0	\$0	\$7,500	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

Prepared by: Cherie Berthon, OFM	Phone: 360-902-0659	Date Published: Final 2/ 6/2012
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 31649

FNS029 Multi Agency rollup

Judicial Impact Fiscal Note

Bill Number: 6239 SB	Title: Concerning civil marriage and domestic partnerships	Agency: 055-Admin Office of the Courts
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Part I: Estimates



No Fiscal Impact

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.

Legislative Contact: Sharon Swanson	Phone: 3607867447	Date: 01/14/2012
Agency Preparation: Julia Appel	Phone: (360) 705-5229	Date: 01/23/2012
Agency Approval: Dirk Marler	Phone: 360-705-5211	Date: 01/23/2012
OFM Review: David Dula	Phone: (360) 902-0543	Date: 01/23/2012

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

This provisions in this bill that could potentially have court impact, summarized below, are not expected to have a significant fiscal impact on the courts statewide.

Section 2 amends RCW 26.04.010, related to marriage, to provide that terms such as husband and wife must be construed as gender neutral when necessary to implement the rights and responsibilities of spouses under the law.

Section 3 amends RCW 26.04.020 to provide that marriages are prohibited when either party has a registered domestic partner living, unless that person is the other party to the marriage. That provision does not include a legal union, other than a marriage, that was formed in another state.

Section 4 amends RCW 26.04.050 to provide that a refusal to solemnize any marriage under the section does not create a civil claim or cause of action.

Section 5 creates a new section under chapter 26.04 to provide that a refusal by any religious organization to provide accommodations, facilities, services, etc. related to the solemnization or celebration of marriage does not create a civil claim or cause of action unless the organization offers those accommodations to the public in transactions governed by law against discrimination, chapter 49.60 RCW.

Section 9 amends RCW 26.60.030 to provide that one person must be sixty-two years of age or older to enter into a state registered domestic partnership. The provision allowing a domestic partnership when both persons are members of the same sex (and younger than sixty-two) is removed.

Section 10 creates a new section under chapter 26.60 RCW to provide that partners in a state registered domestic partnership may marry pursuant to chapter 26.04 RCW. A state registered domestic partnership is dissolved by operation of law by any marriage of the same parties to each other as of the date of the marriage. Any state registered domestic partnership in which the parties are the same sex and neither is sixty-two that has not been dissolved or converted into a marriage is automatically merged into a marriage and is deemed a marriage as of June 30, 2014.

Section 11 creates a new section under chapter 26.04 RCW to provide that if two persons in Washington have a legal union, other than marriage, that was formed in another state or jurisdiction that provides the same rights as marriage and does not meet the definition of domestic partnership, then they shall be treated as having the same rights and responsibilities as married spouses in this state, unless such relationship is prohibited by RCW 26.04.020 or they become permanent residents of Washington state and do not enter into a marriage within one year.

Section 12 amends RCW 26.60.090 to provide that a legal union, other than marriage, that was validly formed in another jurisdiction, and that is substantially equivalent to a domestic partnership in this state shall be treated the same as a domestic partnership in this state.

II. B - Cash Receipts Impact

II. C - Expenditures

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Individual State Agency Fiscal Note

Bill Number: 6239 SB	Title: Concerning civil marriage and domestic partnerships	Agency: 085-Office of the Secretary of State
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2012	FY 2013	2011-13	2013-15	2015-17
Secretary of State's Revolving Account-Non-Appropriated 407-6		(38,000)	(38,000)	(76,000)	(76,000)
Total \$		(38,000)	(38,000)	(76,000)	(76,000)

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
Account					
Secretary of State's Revolving Account-Non-Appropriated 407 -6	0	7,500	7,500	7,500	0
Total \$	0	7,500	7,500	7,500	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Sharon Swanson	Phone: 3607867447	Date: 01/14/2012
Agency Preparation: Dalene Conant	Phone: 360-236-5046	Date: 01/24/2012
Agency Approval: Dan Speigle	Phone: 360-236-5050	Date: 01/24/2012
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 01/25/2012

Request # 2012-16-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The bill would allow current domestic partnership registration to convert to a marriage. Partnerships in which the parties are same sex, and neither party is 62 years of age or older, that have not been dissolved or converted to a marriage by June 30, 2014, will be automatically merged into a marriage. The domestic partnership program will continue for couples where at least one of the partners is 62 years of age or older. The Secretary of State (SOS) currently has 9,282 active domestic partnership registrations, of which approximately 2600 have one or both partners age 62 or older. The domestic partnership program files, on average, about 34 registrations a week. Of those, approximately 18 are partnerships where one or both are 62 years of age or older. Besides registrations, updates to names, addresses, and status changes are filed. We receive status information from the Department of Health Vital Statistics for death of a partner, and from the Administrator of the Courts, we receive termination or invalid status and update our records accordingly. Filing fees will decrease considerably, but this bill would have a small affect on the programs continuing operation.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The domestic partnership registration fees have generated approximately \$468,000 from July 1, 2007 through June 30, 2011. The first year (FY07) generating almost half of that amount. These monies were deposited in the SOS revolving account, 407. This bill will reduce the average annual revenue from the domestic partnership filings from \$81,000 to \$43,000 per year starting FY 13.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This bill does require SOS to send two mailings to every partner that is registered in a domestic partnership, including a summary of this law. The mailings are to occur 60 days after the law becomes effective and the expense would occur in FY 13. The second mailing is in FY 14, and is exactly the same. This mailing would cost approximately \$7,500 each.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		7,500	7,500	7,500	
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$7,500	\$7,500	\$7,500	\$0

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Rules would be changed to reflect the conversion of domestic partnership registration to a marriage.

Individual State Agency Fiscal Note

Bill Number: 6239 SB	Title: Concerning civil marriage and domestic partnerships	Agency: 100-Office of Attorney General
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Part I: Estimates

☒ No Fiscal Impact

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Sharon Swanson	Phone: 3607867447	Date: 01/14/2012
Agency Preparation: Toni Ursich	Phone: (509) 456-3123	Date: 01/24/2012
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 01/24/2012
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 01/25/2012

Request # 12-061-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1, a new section, sets forth the legislative intent to end discrimination in marriage and to ensure that all people in Washington can marry on equal terms, while respecting the freedom of clergy and religious institutions to determine for whom to perform marriage ceremonies and which marriages to recognize for religious purposes.

Section 2 amends RCW 26.04.010, deleting the requirement that marriage be between a man and a woman and adding language authorizing marriage between two persons. This section deletes references to “husband and wife” and substitutes the word “person,” and adds the requirement that gender specific terms such as husband and wife used in any statute, rule or other law be construed to be gender neutral and applicable to spouses of the same sex whenever necessary to implement the rights and responsibilities of spouses under the law.

Section 3 amends RCW 26.04.020 setting forth the cases in which marriage is prohibited.

Gender specific references, including “husband and wife,” are stricken from RCW 26.04.020(1) and gender neutral references, including “spouse,” are added; language is added to RCW 26.04.020(1)(b) prohibiting marriage where either party thereto has a living registered domestic partner unless the marriage is to that registered domestic partner; and RCW 26.04.020(1)(c), which required marriage to be between a male and a female, is stricken.

Gender specific language banning marriage to identified relatives is stricken from RCW 26.04.020(2) and gender neutral language is added, providing that no person may marry a sibling, child, grandchild, aunt, uncle, niece, or nephew.

RCW 26.04.020(4) is a new section providing that a legal union, other than marriage, validly formed outside of Washington that provides substantially the same rights, responsibilities and benefits as marriage, does not prohibit the parties to that union from obtaining a Washington marriage license.

Section 4 amends RCW 26.04.050.

RCW 26.04.050(1) is amended to add “imam, rabbi, or similar official” of any church to the list of individuals authorized to perform marriage ceremonies.

RCW 26.04.050(2) is amended to add language providing that religious officials are not required to solemnize any marriage, providing that such religious officials' failure to solemnize a marriage under this section cannot be grounds for legal action, and prohibiting a state agency or local government from basing a decision to penalize, withhold benefits from, or refuse to contract with any church or religious denomination upon the refusal of any person associated with such church or religious denomination to solemnize a marriage under this section.

Section 5 amends RCW 26.04.060 adding the words “imam, rabbi, or similar official of any church.”

Section 6 amends RCW 26.04.070 adding “imam, rabbi, or similar official of any church” to the list of individuals who must be present when the marital parties assent that they take each other as husband and wife.

Section 7 adds a new section to chapter 26.04 RCW related to discrimination.

Section 7(1) provides that a religious organization, consistent with the law against discrimination in RCW 49.60, is not required to provide accommodations, facilities, advantages, privileges, services or goods related to the solemnization or celebration of marriage unless the organization offers those benefits and items to the public for a fee or for sale.

Subsection 7(2) provides that refusal by a religious organization to provide accommodations, facilities, advantages, privileges, services or goods related to the solemnization or celebration of marriage does not form the basis for a civil claim or cause of action unless the organization offers those benefits and items to the public in transactions governed by the law against discrimination.

Section 8 amends RCW 26.60.010 striking the language indicating that same sex couples, because they cannot marry in this state, do not automatically have access to the same rights and benefits as married couples, and striking the words “different sex” from the language requiring at least one member of a couple to be age 62 in order to enter a registered domestic partnership.

Section 9 amends RCW 26.60.030, the legislative statement of intent regarding registered domestic partnerships.

Language is added to RCW 26.60.030(2), requiring that at least one of the parties to a registered domestic partnership be 62 years old or older.

RCW 26.60.030(6), which requires that both persons in a domestic partnership be members of the same sex or that at least one of the parties be 62 years old or older, is stricken.

Section 10 adds a new section to chapter 26.60 RCW, relating to the conversion of registered domestic partnerships to marriage and the termination of those partnerships.

Section 10(1) authorizes parties in a registered domestic partnership to marry.

Section 10(2) provides that marriage dissolves a registered domestic partnership.

Section 10(3) provides that any existing registered domestic partnership in which the parties are the same sex and neither is yet 62 that has not been dissolved or converted into marriage by June 30, 2014, will automatically merge into a marriage on, and be deemed a marriage effective, June 30, 2014, unless proceedings for dissolution, annulment or legal separation are pending on that date; and further provides that, should such proceedings be finalized without dissolution, annulment or legal separation, the state registered domestic partnership will be automatically merged into a marriage and deemed to be a marriage as of June 30, 2014.

Section 10(4) provides that, for purposes of determining legal rights, the date of the original state registered domestic partnership is the legal date of marriage for those issued a marriage license or deemed married under this section, and further provides that nothing in this section prohibits a different date from being included on the marriage license.

Section 11 adds a new section to chapter 26.04 RCW, setting forth the circumstances under which parties to a valid legal union, other than marriage, formed outside of Washington, will be treated as having the rights and responsibilities of married spouses.

Section 12 amends RCW 26.60.090, which currently provides for the recognition of legal unions formed outside of Washington as state registered domestic partnerships. Language requiring such legal unions to be between same sex couples is deleted and the requirement that such legal unions be “other than marriage” is added.

Section 13 amends RCW 1.12.080 adding the requirement that gender-specific terms such as husband and wife used in any statute, rule or other law, be construed to include spouses of the same sex.

Section 14 is a new section requiring the Secretary of State (SEC), within 60 days of the effective date of this section, to send a letter to each same-sex domestic partner with notice of the changes in the law related to same-sex domestic partners. This section provides the required contents of this notice, and requires SEC to send a similar notice to each of the state’s registered domestic partners by May 1, 2014.

Section 15 is a new section providing that sections 8 and 9 of this act shall take effect on June 30, 2014, but only if the other provisions of this act are implemented.

This bill is assumed effective July 1, 2012.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

None.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.

Individual State Agency Fiscal Note

Bill Number: 6239 SB	Title: Concerning civil marriage and domestic partnerships	Agency: AFN-Actuarial Fiscal Note - State A
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☐

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☒

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Sharon Swanson	Phone: 3607867447	Date: 01/14/2012
Agency Preparation: Aaron Gutierrez	Phone: 360-786-6152	Date: 02/03/2012
Agency Approval: Lisa Won	Phone: 360-786-6150	Date: 02/03/2012
OFM Review: Jane Sakson	Phone: 360-902-0549	Date: 02/04/2012

Request # SB 6239-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

SUMMARY OF RESULTS

This bill allows same-gender couples to marry, and automatically converts certain domestic partnerships to marriages unless the couple marries or dissolves the partnership before June 30, 2014. Under the provisions of this bill, survivor benefits may be available to certain members of the state's retirement systems sooner than under current law.

HIGHLIGHTS OF ACTUARIAL ANALYSIS

This bill does not have a material cost to the state retirement systems.

While the bill allows same-gender couples access to survivor benefits earlier than the effective date under current law, it does not provide new benefits. We demonstrate in the How The Results Change When The Assumptions Change section that even if all assumed registered domestic partners marry immediately, there would be no budget impact in the 2013 fiscal year, and a total employer budget impact of \$2.7 million over 25 years.

See the remainder of this fiscal note for additional details on the summary and highlights presented here.

WHAT IS THE PROPOSED CHANGE?

Summary Of Change

This bill impacts the following systems:

- ❖ Public Employees' Retirement System (PERS).
- ❖ Teachers' Retirement System (TRS).
- ❖ School Employees' Retirement System (SERS).
- ❖ Public Safety Employees' Retirement System (PSERS).
- ❖ Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF).
- ❖ Judicial Retirement System (JRS).
- ❖ Judges Retirement System (Judges).

This bill allows same-gender couples to marry, and automatically converts certain domestic partnerships to marriages unless the couple marries or dissolves the partnership before June 30, 2014.

By entering into a marriage, a same-gender spouse of a retirement system member would become eligible for benefits granted to spouses.

By converting a domestic partnership into a marriage, a same-gender spouse of a member of certain retirement systems would be eligible for spousal retirement benefits earlier than they would under current law (See next section for information on the delayed implementation of E2SSB 5688).

Domestic partnerships where one party is over age 62 are not changed by this bill.

Effective Date: The bill, except for sections 8 and 9, is effective 90 days after session.

What Is The Current Situation?

The domestic partner registry was created in 2007. Between 2007 and 2009, domestic partners were generally eligible for benefits that members can assign to a beneficiary.

However, some benefits are assigned by statute directly to spouses, which did not include domestic partners. For example, in the Plans 2/3, if an eligible member dies prior to retirement, only the spouse was entitled to an on-going monthly survivor annuity.

In 2009, the Legislature enacted E2SSB 5688, EHB 1616, and ESHB 1445. These bills generally expanded domestic partner benefits such that domestic partners were eligible for the same retirement benefits that were granted to spouses.

However, the provisions affecting retirement benefits were to take effect at different times.

E2SSB 5688 (General application)

Most of the bill provisions were July 26, 2009. However, the provisions that granted spousal retirement benefits to domestic partners had a delayed effective date of Jan 1, 2014. This delayed effective date applied to all state plans, including LEOFF and WSPRS. However, spousal retirement benefits for LEOFF and WSPRS were also separately affected by the following two bills.

EHB 1616 (Applied to LEOFF only)

This bill was effective July 26, 2009, meaning the spousal retirement benefits for LEOFF were in effect earlier than they would have been under E2SSB 5688.

ESHB 1445 (Applied to WSPRS only)

This bill was effective July 26, 2009, meaning the spousal retirement benefits for WSPRS were in effect earlier than they would have been under E2SSB 5688.

Who Is Impacted And How?

We estimate this bill could affect any active and terminated vested members of the affected systems through earlier access to survivor benefits already provided under current law. We do not believe members of LEOFF and WSPRS will be impacted because the 2009 bills EHB 1616 and ESHB 1445 provided immediate access to survivor benefits for members of those systems.

We did not attempt to find costs of this bill for VFFRPF, JRS, or Judges. Consistent with E2SSB, we believe that the impact on these plans is not material for funding purposes.

WHY THIS BILL DOES NOT HAVE A MATERIAL COST

Why This Bill Does Not Have A Material Cost

There are two potential sources of additional cost to the affected systems. Any costs that do occur would be absorbed by the affected systems as experience losses.

- ❖ Same-gender couples can marry before January 1, 2014, under the provisions of this bill. This provision could increase the present value of benefits we estimated in our actuarial fiscal note for E2SSB 5688 in 2009. We will show that the maximum possible cost of this provision is not material to the cost of any impacted system.

Actuary's Fiscal Note

- ❖ We could see more marriages between same-gender couples than we would have seen new domestic partnerships under the provisions of E2SSB 5688. While possible, we believe this potential impact would be immaterial.

Who Will Pay For These Costs?

Any costs that do occur as experience losses would materialize in future contribution rate increases payable according to the usual funding method for each plan.

- ❖ Plan 1 and Plan 3: 100 percent employer.
- ❖ Plan 2: 50 percent member and 50 percent employer.

HOW WE VALUED THESE COSTS

We estimated costs for this bill using the same assets, data, assumptions, and methods as disclosed in our fiscal note for E2SSB 5688 in 2009, except we relied on data from the *June 30, 2010, Actuarial Valuation Report (AVR)* to estimate the maximum budget impact. Please see the fiscal note, dated March 13, 2009, for full disclosure of the assets, data, assumptions, and methods used. Please see the section *How The Results Change When The Assumptions Change* for a description of our maximum cost estimate.

The analysis of this bill does not consider any other proposed changes to the systems. The combined effect of several changes to the systems could exceed the sum of each proposed change considered individually.

As with the costs developed in the actuarial valuation, the emerging costs of the systems will vary from those presented in the AVR or this fiscal note to the extent that actual experience differs from the actuarial assumptions.

HOW THE RESULTS CHANGE WHEN THE ASSUMPTIONS CHANGE

We do not have any data on what percentage of registered domestic partners may elect to marry earlier than June 30, 2014. However, we can demonstrate that even if we assume every registered domestic partnership we estimated in E2SSB 5688 converts to a marriage immediately, the cost to the impacted systems is immaterial.

To estimate a maximum cost for this bill, we added an interest-only adjustment of 1.5 years to the contribution rate changes presented in our 2009 fiscal note for E2SSB 5688. The interest adjustment reflects the expected increase in liabilities to provide earlier access to survivor benefits under the plans.

$$\text{New Rate Change} = 2009 \text{ Rate Change} * (1.08^{1.5} - 1), \text{ or}$$

Actuary's Fiscal Note

New Rate Change = 2009 Rate Change * 12.24%.

We believe this is a maximum cost because opposite-gender domestic partnerships will not be converted to marriages under the provisions of this bill, and the 2009 contribution rate change included costs for opposite-gender partners. On the other hand, there could be some additional same-gender marriages that were not domestic partnerships under E2SSB 5688.

However, even this maximum cost proves to be immaterial, resulting in the following contribution rate changes and budget impacts.

Impact on Contribution Rates (Effective 9/1/2012)				
System/Plan	PERS	TRS	SERS	PSERS
Current Members				
Employee (Plan 2)	0.001%	0.000%	0.001%	0.000%
Employer				
Normal Cost	0.001%	0.000%	0.001%	0.000%
Plan 1 UAAL	0.000%	0.000%	0.000%	0.000%
Total	0.001%	0.001%	0.001%	0.000%
New Entrants*				
Employee (Plan 2)	0.000%	0.000%	0.000%	0.000%
Employer				
Normal Cost	0.000%	0.000%	0.000%	0.000%
Plan 1 UAAL	0.000%	0.000%	0.000%	0.000%
Total	0.000%	0.000%	0.000%	0.000%

**Rate change applied to future new entrant payroll and used to determine budget impacts only. Current members and new entrants pay the same contribution rate.*

Actuary's Fiscal Note

Budget Impacts					
(Dollars in Millions)	PERS	TRS	SERS	PSERS	Total
Fiscal Year 2013					
General Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Non-General Fund	0.0	0.0	0.0	0.0	0.0
Total State	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Government	0.0	0.0	0.0	0.0	0.0
Total Employer	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Employee	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2013-2015					
General Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1
Non-General Fund	0.0	0.0	0.0	0.0	0.0
Total State	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
Local Government	0.1	0.0	0.0	0.0	0.1
Total Employer	\$0.1	\$0.1	\$0.0	\$0.0	\$0.2
Total Employee	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
2012-2037					
General Fund	\$0.3	\$0.5	\$0.1	\$0.0	\$1.0
Non-General Fund	0.4	0.0	0.0	0.0	0.4
Total State	\$0.8	\$0.5	\$0.1	\$0.0	\$1.4
Local Government	0.8	0.3	0.2	0.0	1.2
Total Employer	\$1.6	\$0.8	\$0.3	\$0.0	\$2.7
Total Employee	\$1.1	\$0.3	\$0.1	\$0.0	\$1.5

Note: Totals may not agree due to rounding. We use long-term assumptions to produce our short-term budget impacts. Therefore, our short-term budget impacts will likely vary from estimates produced from other short-term budget models.

WHAT THE READER SHOULD KNOW

The Office of the State Actuary (“we”) prepared this fiscal note based on our understanding of the bill as of the date shown in the footer. We intend this fiscal note to be used by the Legislature during the 2012 Legislative Session only.

We advise readers of this fiscal note to seek professional guidance as to its content and interpretation, and not to rely upon this communication without such guidance. Please read the analysis shown in this fiscal note as a whole. Distribution of, or reliance on, only parts of this fiscal note could result in its misuse, and may mislead others.

ACTUARY'S CERTIFICATION

The undersigned hereby certifies that:

1. The actuarial cost methods are appropriate for the purposes of this pricing exercise.
2. The actuarial assumptions used are appropriate for the purposes of this pricing exercise.
3. The data on which this fiscal note is based are sufficient and reliable for the purposes of this pricing exercise.
4. Use of another set of methods, assumptions, and data may also be reasonable, and might produce different results.
5. We prepared this fiscal note for the Legislature during the 2012 Legislative Session.
6. We prepared this fiscal note and provided opinions in accordance with Washington State law and accepted actuarial standards of practice as of the date shown in the footer of this fiscal note.

The undersigned, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

While this fiscal note is meant to be complete, the undersigned is available to provide extra advice and explanations as needed.



Lisa Won, ASA, MAAA
Actuary

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GLOSSARY OF ACTUARIAL TERMS

Actuarial Accrued Liability: Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the present value of fully projected benefits attributable to service credit that has been earned (or accrued) as of the valuation date.

Actuarial Present Value: The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions (i.e. interest rate, rate of salary increases, mortality, etc.).

Aggregate Funding Method: The Aggregate Funding Method is a standard actuarial funding method. The annual cost of benefits under the Aggregate Method is equal to the normal cost. The method does not produce an unfunded actuarial accrued liability. The normal cost is determined for the entire group rather than on an individual basis.

Entry Age Normal Cost Method (EANC): The EANC method is a standard actuarial funding method. The annual cost of benefits under EANC is comprised of two components:

- ❖ Normal cost.
- ❖ Amortization of the unfunded actuarial accrued liability.

The normal cost is determined on an individual basis, from a member's age at plan entry, and is designed to be a level percentage of pay throughout a member's career.

Normal Cost: Computed differently under different funding methods, the normal cost generally represents the portion of the cost of projected benefits allocated to the current plan year.

Projected Unit Credit (PUC) Liability: The portion of the Actuarial Present Value of future benefits attributable to service credit that has been earned to date (past service).

Projected Benefits: Pension benefit amounts that are expected to be paid in the future taking into account such items as the effect of advancement in age as well as past and anticipated future compensation and service credits.

Unfunded PUC Liability: The excess, if any, of the Present Value of Benefits calculated under the PUC cost method over the Valuation Assets. This is the portion of all benefits earned to date that are not covered by plan assets.

Unfunded Actuarial Accrued Liability (UAAL): The excess, if any, of the actuarial accrued liability over the actuarial value of assets. In other words, the present value of benefits earned to date that are not covered by plan assets.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 6239 SB	Title: Concerning civil marriage and domestic partnerships
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☒ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Part III: Preparation and Approval

Fiscal Note Analyst: David Elliott	Phone: (360) 725 5033	Date: 01/24/2012
Leg. Committee Contact: Sharon Swanson	Phone: 3607867447	Date: 01/14/2012
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 01/24/2012
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 01/24/2012

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This bill would modify several statutes related to marriage and domestic partnerships, broadening the definition of marriage, clarifying that there is no requirement to perform marriages or to provide facilities to perform marriages, and recognizing marriages and domestic partnerships from other jurisdictions.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

This bill is not expected to result in local government fiscal impacts. Any obligations or liabilities in place under current domestic partner statutes should remain in place.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

None

SOURCES:

Administrative Office of the Courts (AOC) fiscal note